

## CLAIMS

I claim:

1. A system for administering a payout option of an individual annuity contract of a contract  
5 owner, wherein said individual annuity contract can be a variable annuity contract or a fixed  
annuity contract, said system comprising:

a memory for storing data relating to said individual annuity contract, said individual  
annuity contract having an associated payout option which permits the contract owner to withdraw  
an amount of principal from the annuity during a payout phase of the individual annuity contract;  
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a processor operatively coupled to said memory configured to calculate and issue a payout  
in response to a request from said contract owner for a withdrawal of the amount of principal from  
said annuity.

2. The system of claim 1 wherein the amount withdrawn is a portion of the entire principal.  
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3. The system of claim 1 wherein the amount withdrawn is the entire principal.

4. The system of claim 1 wherein said processor is further configured to calculate a  
20 withdrawal charge and deduct said withdrawal charge from said payout.

5. A method of administering a payout option of an individual annuity contract of a contract owner, wherein said individual annuity contract can be a variable annuity contract or a fixed annuity contract, said method comprising the steps:

storing data relating to said individual annuity contract in a memory, said individual annuity contract having an associated payout option which permits the contract owner to withdraw an amount of principal from the annuity during a payout phase of the individual annuity contract;

receiving a request from said contract owner for a withdrawal of the amount of principal from said annuity;

calculating a payout to said contract owner in response to said request; and

issuing said payout to said contract owner.

6. The method of claim 5 wherein the amount withdrawn is a portion of the entire principal.

7. The method of claim 5 wherein the amount withdrawn is the entire principal.

8. The method of claim 5 comprising the further steps of calculating a withdrawal charge and deducting said withdrawal charge from said payout.